

SECRET

C O N T E N T S

(Information as of noon EST, 3 November 1966)

Far East

- | | <u>Page</u> |
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| (1) VIETNAM | OK 1 |
| Major engagements between North Vietnamese and US forces in the western highlands and coastal lowlands of II Corps and intensified Viet Cong terrorism and sabotage in the Saigon area, highlighted this week's military activity in South Vietnam. Premier Ky's cabinet crisis has eased temporarily, and the officers recently elected by the constituent assembly will probably be able to work harmoniously with the government. | WITH DELETIONS
Crisis Heading
+ #6 |
| (2) INDONESIA ENCOUNTERS HARD LINE IN INITIAL DEBT TALKS WITH USSR | 4 |
| To avoid jeopardizing their heavy stake in Indonesia the Soviets are expected eventually to ease their repayment terms to something close to the formulation tentatively agreed to by Western creditors. | |
| (3) CHINESE DEMONSTRATE NUCLEAR WEAPONS DELIVERY CAPABILITY | 5 |
| Peking has claimed that its fourth nuclear test, conducted on 26 October, was of a weapon delivered by a ballistic missile. The limited evidence available tends to support this claim, and indicates that the Chinese are making substantial progress toward a missile strike capability. | |
| (4) POLITICAL TENSION MOUNTS IN PEKING | 7 |
| During the past week there were indications suggesting that a new crisis point was near, but the huge rally and parade in Tienanmen Square on 3 November revealed no significant changes in the hierarchy. | OK |
| (5) PEKING LOSES FURTHER GROUND ABROAD | 8 |
| Ghana will soon become the third African country to sever relations with Peking this year, and the New China News Agency office in Mexico City--China's only toehold in Middle America--has been closed. | |

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Europe

(4) USSR'S LUNA 12 LOOKS AT LUNAR LANDSCAPE

This was the first Soviet lunar orbiter to transmit photographs of the moon successfully. The same mission aboard Luna 11 malfunctioned. Luna 10, the first Soviet orbiter, did not carry photographic equipment.

9

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(2) SOVIET MILITARY AID TO SYRIA AND CUBA

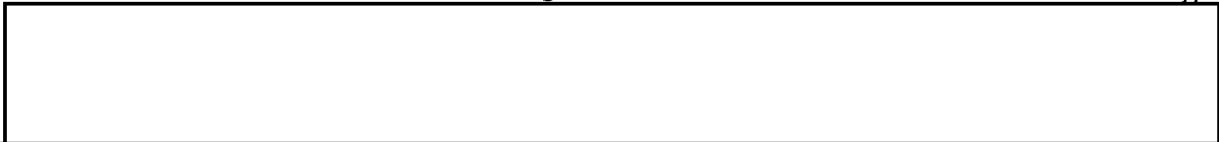
Recent deliveries of Soviet aircraft and other military equipment may reflect new but unpublicized agreements reached earlier this year.

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4

(1) EURATOM STUDYING POLISH-CZECH NUCLEAR SAFEGUARDS OFFER

The West European countries continue to seek consensus for a response to the offer by Poland and Czechoslovakia to submit their atomic energy programs to International Atomic Energy Agency safeguards on condition that West Germany follow suit.

15

(15) ITALY'S SOCIALIST PARTIES REUNITED

The reunification of the Socialist and Social Democratic parties--which split in 1947--has been formally approved. However, the new party faces a long, uphill struggle to achieve its ultimate objectives of displacing the Communists as Italy's second largest party and the Christian Democrats as the dominant force in the government.

16

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(13) BELGIUM'S LINGUISTIC DISPUTE

The rivalry between Belgium's Dutch-speaking Flemings and French-speaking Walloons is intensifying. Parliament will have before it this fall a number of issues related to the country's language division, and on these issues tempers run high. Any Belgian government faces a constant threat of downfall over the linguistic dispute. The dispute may eventually lead the Belgians to transform their unitary state into a loose federation. (Published separately as Special Report OCI No. 0314/66A)

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Middle East - Africa

(14) GUINEA-GHANA DISPUTE GENERATES INTERNATIONAL TENSIONS

Ghana arrested Guinean delegates transiting Accra en route to the Organization of African Unity (OAU) meeting in Addis Ababa and is holding them as hostages for the return of Ghanaians allegedly kept in Guinea against their will. Guinea, powerless to retaliate, blamed the US on grounds that the Guineans were arrested aboard an American plane. The OAU has dispatched a mediation team.

17

(15) MOBUTU PLANS CONGOLESE GOVERNMENT REORGANIZATION

The Congolese President intends to become head of government as well as chief of state and to form a new presidential cabinet to supervise the present Council of Ministers formerly under ousted Premier Mulamba.

18

(16) IRAN AND WESTERN OIL CONSORTIUM AT ODDS OVER PRODUCTION INCREASE

Iran is demanding greater increases in production than the consortium is willing to promise, and has threatened legislation to take away some consortium concession areas.

19

Western Hemisphere

(17) LEFTIST MILITANTS TAKE CONTROL OF DOMINICAN OPPOSITION

Juan Bosch, off to Europe, has at least temporarily turned control of his party over to a leftist militant element. This will confront the Balaguer government with a more vociferous opposition than it has yet encountered.

20

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(18) COSTA RICA'S PRESIDENT THREATENS TO RESIGN

The frustrations which led Trejos to threaten to resign last week have apparently been smoothed over for the present, but his ability to cope with the presidency for another three and a half years remains questionable.

21

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(19) LABOR AGITATION UNSETTLES URUGUAYAN ELECTION SCENE

The government is reluctant to take emergency measures, which might prove unpopular, but its security officials believe such moves are needed to cope with Communist-inspired labor agitation.

22

(20) ATTEMPTED VENEZUELAN REVOLT FIZZLES

Last Sunday's attempted revolt fell apart when its leader was killed while trying to round up support.

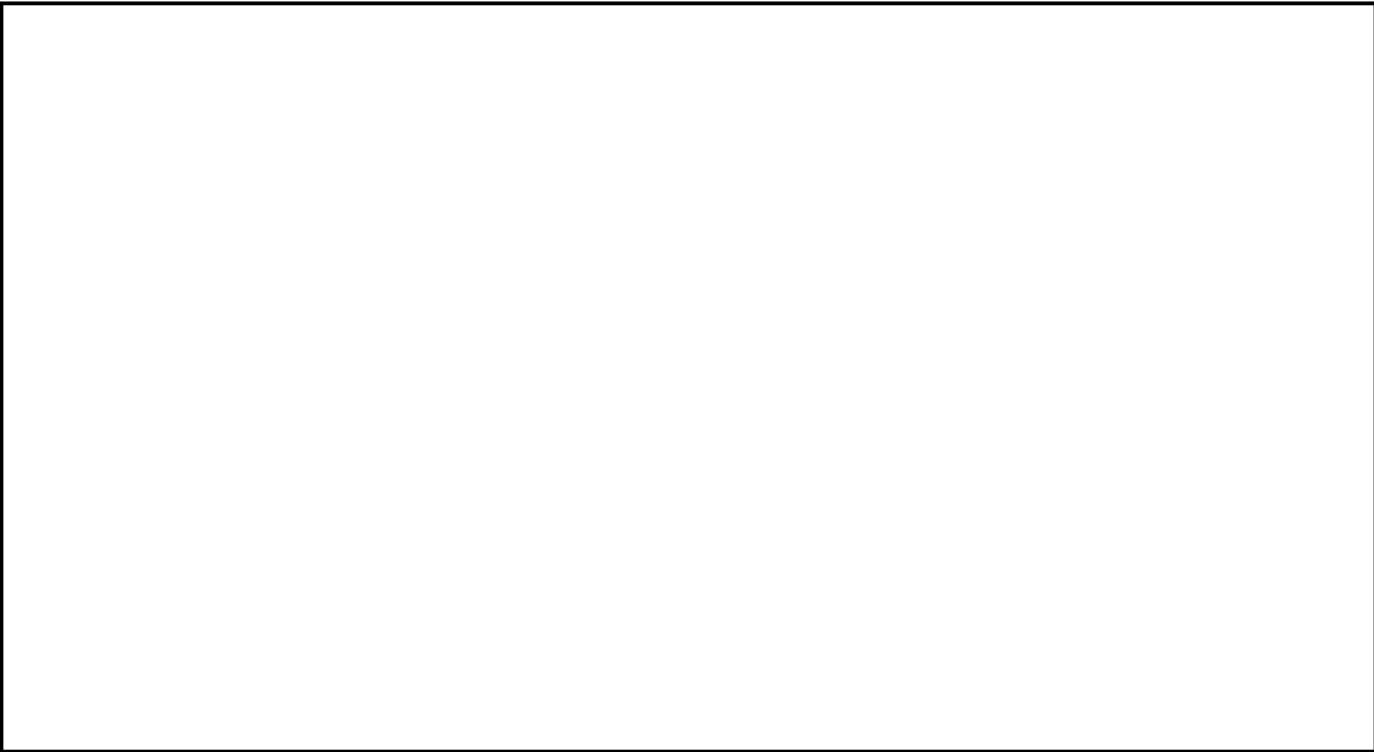
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#3

(21) COLOMBIAN PRESIDENT REACTS STRONGLY TO STUDENT VIOLENCE

President Lleras has issued new antisubversive decrees and is determined to use them if necessary to end Communist-led student violence.

24

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